

Automotive News

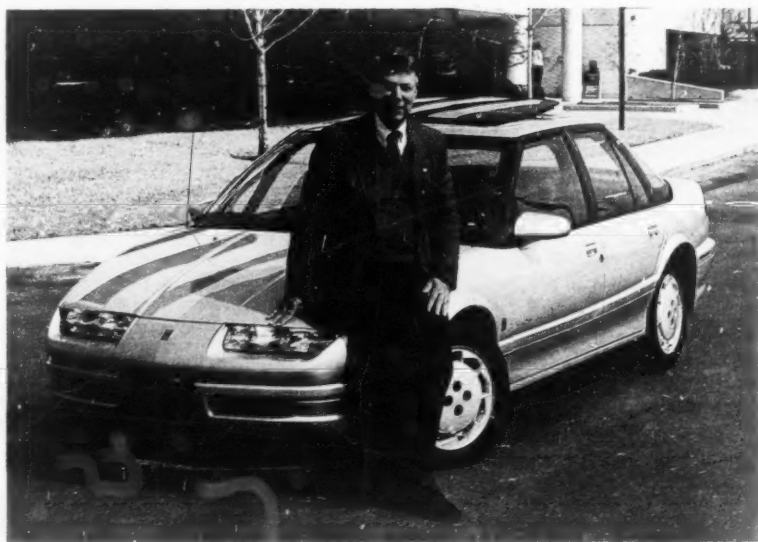
April 8, 1991

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Ramping up

Saturn is telling suppliers to prepare for a second shift at its Spring Hill, Tenn., plant this June. According to John "Jay" Wetzel II, vice president of engineering, Saturn has recovered from start-up problems. Story on Page 3.



AUTOMOTIVE NEWS JOE WILSENS

Bigger cars cut '90 fleet CAFE to 5-year low

Even imports feel mpg squeeze

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The average fuel economy of cars sold in the United States during the 1990 model year was the lowest since 1985 as imports and U.S.-built models alike became bigger and less efficient, the government reported last week.

In its annual report to Congress, the National Highway Traffic Safety Administration said the overall corporate average fuel economy rating for 1990 models slipped 0.2 mpg, to 28.1 mpg, the third consecutive yearly decline.

But in a clear indication of the way imports have moved steadily upmarket toward greater size and engine displacement in recent years, the federal agency said the fuel-economy gap between imports and U.S.-built cars narrowed to 3 mpg in the 1990 model year, its lowest ever.

NHTSA said the domestic fleet CAFE slipped 0.2 mpg, to 26.9 mpg, while the import makers' CAFE fell 0.8 mpg, to 29.9 mpg.

Under CAFE, automakers are required to meet a fleet average of 27.5 mpg or pay a \$5 penalty on each tenth of a mile per vehicle that the car falls below the standard.

CAFE regulations also allow the carmakers to avoid fines by borrowing credits from prior years when they exceeded the standard.

Several bills have been introduced in both the House and Senate proposing to boost CAFE as high as 40 percent over the current 27.5 mpg standard by 2001. But

NHTSA hikes truck CAFE for '93-'94

WASHINGTON — The federal government has increased corporate average fuel economy standards for light trucks to 20.4 mpg for the 1993 model year and 20.5 mpg for 1994.

The current CAFE standard for light trucks, which applies to the 1991 and 1992 model years, is 20.2 mpg.

Congress has empowered the National Highway Traffic Safety Administration to set the light-truck CAFE. The agency also can roll back the passenger-car CAFE, but only from the level set by Congress. That standard is 27.5 mpg.

— Diana T. Kurylko

TOP 10 SELLERS, MARCH 1991

	Sales
1. Honda Accord	44,894
2. Chevrolet C/K pickup	35,928
3. Ford F-series pickup	31,591
4. Ford Taurus	27,768
5. Chevrolet Cavalier	27,150
6. Toyota Camry	24,695
7. Ford Explorer	22,229
8. Ford Ranger	21,096
9. Chevrolet Lumina	20,868
10. Ford Tempo	20,240

Source: Automotive News Data Center

March tale: High hopes, poor sales

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

True to form, March came in like a lion and went out like a lamb.

Despite high postwar hopes in early March, car and truck sales declined to 1,085,170, down 14.9 percent from the year-ago month.

On a percentage basis, the decline was shared quite evenly by cars and trucks. Car sales were down 14.2 percent, and light-truck sales fell 16.2 percent.

If the end of the Persian Gulf war took a load off consumers' minds in March, it didn't show up in car and truck sales. March's drop was steeper than February's 13.7 percent decline.

According to Jack V. Kirnan, auto analyst at Kidder, Peabody & Co. Inc., the sales declines reflect falling real incomes, a sharp rise in

see SALES, page 42

SWEET AND SOUR

In the '80s, Honda could do no wrong; did decade of success sap its strength?

By Kristine Steven Breese
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — American Honda Motor Co. Inc. got some good news and some bad news last week.

The good news was that Honda and Acura sales in March rebounded 5.45 percent while the overall industry fell. The bad news was that Moody's Investors Corp. is reviewing the debt rating for the company's captive finance arm, American Honda Finance Corp.

The sales news was sweet because it followed a 21.6 percent sales decline during the first two months of the year.

But Moody's review looks beyond Honda's recent sales slump, climbing inventory levels and \$900 incentives on Accords.

"We're reviewing the credit worthiness of Honda's finance arm, but it could be viewed as a review

of all of Honda's operations in the U.S. as well as their global position and their standing in the home market," said Roger Arner, representative director of Moody's Tokyo office.

Moody's revealed it was considering a downgrading of American Honda Finance Corp.'s rating from AA3 — its fourth-highest rating. (Toyota Motor Acceptance Corp., in comparison, has Moody's highest rating, AAA.)

"This is not being done because of any recent or temporary trends. It's a long-term look," said Arner.

He said issues under review include "operational and financial fundamentals" such as sales, financial position, future products, overcapacity and competitive pressures in North America, Europe and Japan.

Moody's scrutiny underscores

see HONDA, page 4

Escort buyers cite price lure, Mazda link

By Kristine Steven Breese
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — When you're going head-to-head with Honda in California, it helps to have a partner named Mazda and a price advantage.

In a commissioned study, Ford Motor Co. found that while buyers of the 1991 Escort might have preferred a Honda Civic, or even the Accord, they bought Escort for price. And they liked Ford's connection with Mazda Motor Corp. so much that the sociologist who ran the study will recommend that Ford mention Mazda in its marketing.

Ford Division allowed reporters to attend the focus group session in Los Angeles, the last of a six-city tour.

The 13 buyers, introduced only by their first names, discussed the Escort with each other and with Marty Goldfarb, a sociologist and president of Goldfarb Consultants, the marketing firm that conducted the focus groups for Ford.

A dozen reporters watched from behind a one-way glass with four Ford managers. The buyers knew they were being observed, but they did not know that the study was sponsored by Ford.

While members of the group

were generally pleased with their Escorts, Ford clearly has its work cut out in import-saturated California.

"People at work did tease me about buying an American car," said Cathy, a customer service manager at First Interstate Bank, who looked to be thirtysomething.

"All my friends have foreign models," said Sonny, a teacher in his 50s. "They couldn't believe I got a Ford."

About half the group said they had shopped for a Honda. "Honda is the image car in the marketplace. The Escort has to beat

see ESCORT, page 44

ZR-1 sales ban lifted:

Mysterious engine seizures last November prompted Chevrolet to tell dealers not to sell Corvette ZR-1s. Story on Page 3.



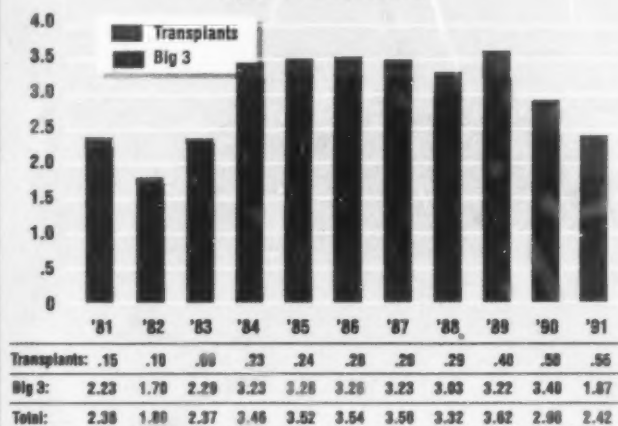
Uphill climb

Truck dealers shifted gears last year, emphasizing service, parts and used-vehicle sales to stay in the black in a sagging market. See *Automotive News Insight*, which follows Page 24, for details.

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First quarter U.S. and Canada vehicle production

Figures in millions of units



Source: Automotive News Data Center

AUTOMOTIVE NEWS / CHARLOTTE WRITER

First quarter production is lowest since 1982

By Phil Frame and Anne E. Wright
AUTOMOTIVE NEWS STAFF REPORTERS

The Big 3 built 1.87 million cars and trucks in the United States and Canada during the first quarter of 1991, the lowest total since 1982 when 1.70 million were produced.

The production figures reflected the combined effects of the war in the Persian Gulf and an economy in recession, both of which had a severely negative impact on sales. To swell beyond manageable levels, manufacturers reacted to the slump by making deep cuts in production.

Total first-quarter production (including transplants) in the two countries was 2.42 million units, the lowest since 2.37 million in 1983.

U.S. car production in the quarter was 1.31 million, down 9 percent from 1.44 million in the fourth quarter of 1990 and down 11 percent from 1.47 million in the first quarter a year ago. First-quarter U.S. car production was the lowest

since 1.03 million in the same period of 1982.

U.S. truck production in the first quarter was 686,060, down 15 percent from 802,853 in the fourth quarter of 1990 and down 7 percent from 735,824 in the same quarter a year ago. First-quarter U.S. truck production was the lowest since 517,949 in the same quarter of 1983.

Car and truck production in Canada during the first quarter was down 11 percent from the previous quarter and down 10 percent from the year-ago quarter. Canadian car production fell 15 percent from the previous quarter and 3 percent from the year-ago quarter, while truck production was down 6 percent from the previous quarter and 17 percent from the year-ago quarter.

Canadian car production of 241,198 units was the lowest since 230,535 in the same quarter of 1987. Canadian truck production of 188,222 units was the lowest since 122,970 in 1983.

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Correction

Mitsubishi Motors Corp. said an article in the April 1 issue misstated its ability to meet proposed tougher corporate average fuel economy standards. The Japanese automaker said a smaller but more spacious car it has proposed would not be able to meet the mileage standards in a bill introduced by Sen. Richard Bryan.

Dealer ad funds missing \$750,000

FBI focuses on ex-Bozell employee who handled C-P accounts

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

The FBI is investigating a former Bozell Inc. employee in connection with over \$750,000 allegedly stolen from two Chrysler-Plymouth dealer advertising associations in Chrysler's Memphis zone.

Ed Bradberry, FBI special agent and media representative in Memphis, confirmed that Joe Haines, a former Bozell account executive who was in charge of the zone's Chrysler-Plymouth ad association, is being investigated in connection with the missing money.

Bradberry said "no charges have been brought or filed."

"The evidence will be presented to the federal grand jury for their determination," he added.

Haines left Bozell about a year ago. The dealer groups are negotiating with Chrysler and Bozell to have the manufacturer and ad agency replace the missing money, sources said.

A Chrysler spokesman said "because of the ongoing investigation by law enforcement officials, Chrysler feels it would be inappropriate to comment on the allegations against Mr. Haines." The spokesman refused further comment.

Haines could not be reached for comment.

Bozell did not respond to requests for comment.

Pate Pearson, a North Little Rock, Ark., dealer and member of the Memphis zone board of directors, and Dennis Hansen, a Nashville, Tenn., dealer and president of the Memphis Metro Chrysler-Plymouth Dealers Ad Association,

also refused comment.

There are 103 Chrysler-Plymouth dealers in the Memphis zone, which includes all of Arkansas, west and middle Tennessee, and northern Mississippi. The two ad groups victimized by the scam are the Memphis Mid-South Chrysler-Plymouth Ad Association and the Memphis Metro Chrysler-Plymouth Dealer Ad Association.

Sources said the money, which belonged to the ad groups and was earmarked to pay for association advertising, was siphoned from the accounts over a period of several years.

Dealers in the metro group became suspicious after a summer 1989 audit revealed that money that should have been used for advertising purposes went to fund things such as golf tournaments and photography supplies.

That audit was followed by another audit by the outstate dealer group. That audit revealed that several phony companies, including radio stations, had been set up in Memphis, said one source, and in Georgia, according to another source.

The bogus companies billed the dealer group for work never done, sources said.

Chrysler and Bozell refused to even discuss restitution for the dealer groups until the groups threatened to sue.

Chrysler, Bozell and the dealer groups have been wrestling with the problem since February 1990, one source said.

While no one has been legally charged in the incident, the source predicted "there will be lots of

charges filed" before the matter is put to rest.

Bozell also is the ad agency for Chrysler's corporate ads and Chrysler-Plymouth division ads. Chrysler-Plymouth dealers, like most Big 3 and import dealers, are required by the manufacturer to contribute to co-op advertising funds to pay for local advertising. The majority of Chrysler-Plymouth dealers contribute between 0.5 percent and 1 percent of vehicle invoice plus up to \$100 to their ad groups. Chrysler also contributes to the fund.

Chrysler requires all its dealer ad associations to use factory appointed agencies in order to receive the matching factory funds.

Some dealers in the Memphis zone said they knew nothing about the incident.

But one dealer who is aware of the incident was angry. He said Chrysler is dragging its feet in helping dealers get the matter resolved.

"Chrysler told us we have to belong to the associations — it's in our contracts," said the dealer, who asked to remain anonymous. "They tell us how to spend our money and who to spend it with. Now there is a \$750,000 problem and they say it's the dealers' fault. What do we do now?"

A different dealer who did not want to be identified said he had heard rumors about the theft but that the general dealer body was never told about it.

"I've seen no inaccuracies," he said.

"Bozell still has the account; they still answer the phone."

PRICE HIKES: Mazda tacks on third increase; Ford quietly boosts car stickers

By John K. Teahen Jr.
SENIOR EDITOR

Mazda Motor of America posted the first "triple" of the 1991 season, raising prices last week for the third time since the model year began.

Mazda increased prices on most of its 1991 cars and trucks. The hike was 1.3 percent on a sales-weighted basis, an average of \$168 per vehicle for its full lineup.

That follows a \$312 increase in November and a bump of \$40 when the 1991 models were introduced last September. It adds up to an average increase of \$520 for Mazda since the end of the 1990 model year.

Typical increases were: base 323 hatchback, \$50; 929 sedans, \$350; 626 sedans and MX-6 coupes, \$296; MPV minivans, \$150; Miata convertible, \$100. The base Miata now is \$14,300.

California Mazda dealer Jon Schultz said he doesn't like price increases, but he said consumers don't necessarily keep track of them when they are spread over a year.

"What really matters is how the prices stack up against the competition. That matters more than how we stack up against our earlier prices," said Schultz, who runs Holiday Mazda-Oldsmobile in San Bernardino, Calif.

While Mazda's three price hikes lead the field in the 1991 model year, a long list of domestics and imports have gone to the well twice. On the import side the double-hikers include Toyota Motor Sales U.S.A. Inc., American Honda Motor Corp. Inc., Nissan Motor

FORD PRICE HIKES

Festiva	\$28
Escort/Tracer	\$40-41
Tempo/Topaz	\$46-47
Probe	\$52
Mustang	\$58
Taurus/Sable	\$61
Thunderbird/Cougar	\$67
All Lincoln	\$123-124
Capri	\$700

Corp. in U.S.A., Volkswagen United States Inc., Audi of America and Volvo Cars of North America.

Ford raised prices earlier this year on every 1991 car, but did not announce the increase. On most models the increase was \$28 to \$124, but stickers climbed \$700 on Capri, the convertible that Mercury imports from Ford of Australia. A \$582 price hike on two Taurus sedans includes \$521 for making a V-6 engine standard.

Automotive News estimates that the increase averages \$61 when applied to Ford's car fleet. At introduction last fall, Ford raised prices an average of \$312 (1.9 percent) on a comparably equipped basis. Thus, its 1991 increase now is \$373.

Chrysler Corp., like Ford, has had two full-fledged car price increases. The second took effect Jan. 2 and averaged 0.3 percent or \$37. At introduction time last fall, Chrysler boosted prices an average of 0.9 percent, or \$135.

General Motors raised prices of some options early this year but left car prices intact. The hikes included \$15 to \$30 on automatic

transmission and \$15 to \$55 on air conditioning. The boosts added an estimated \$45 to GM's introductory increase of 2.3 percent.

The Big 3 also have raised destination charges. At intro time last fall, Ford and GM boosted those fees \$10 and Chrysler tacked on \$25 to \$40. Since Jan. 1, GM and Chrysler have gone up another \$20 per car, and Ford has added \$10.

Automotive News Staff Reporter Kristine Stiven Breese in Los Angeles contributed to this report.

Automotive News appoints Jewett

Automotive News has named copy editor Dale Jewett to be its service editor.

Jewett, 30, replaces Francis J. Gawronski, who retired after 36 years with *Automotive News*.

A car buff, Jewett joined the *Automotive News* copy desk in March 1990 after four years with the *Desert Sun* in Palm Springs, Calif. Prior to that, he worked for newspapers in Arizona for two years.

A native of Iowa, Jewett graduated in 1983 from Syracuse University with a bachelor's degree in magazine journalism.

Jewett continues as a copy editor for *Automotive News*.



HONDA

FROM PAGE 1

the pressures facing Honda as it heads into the 1990s. For most of its 21 years in the United States, the company has operated with a do-no-wrong attitude. Annual sales have fallen only twice from year-ago levels, in 1981 and 1982.

While its five-year-old Acura luxury division now has four cars — two introduced in the last year — Honda Division has carried on for more than a decade with basically the same lineup: Civic, Prelude and Accord.

Accord sales are unlikely to grow as they have — few vehicles these days sell more than 400,000 annually. In addition, the company still has no truck entry.

In the meantime, Honda is trying to shore up its performance in the Japanese market and to make itself more nimble in responding to demands in Japan as well as Europe and North America. In Japan, the company projects operating profit for the fiscal year which ended

March 31 will decline from 100 billion yen to 73 billion yen.

In his New Year's message, President Nobuhiko Kawamoto intimated that sales in the home market needed to rise in order to give the company better balance.

For the 12 months ended March 31, Honda's sales in Japan declined 7.6 percent to 428,152. The overall market increased during that span, causing Honda's share to fall to 7.3 percent. In the process, Honda fell behind Mitsubishi to fifth place in Japan's sales standings.

Kawamoto also stated Honda's continued commitment to building autonomous operations in Europe, Japan and North America, which accounts for about 47 percent of its worldwide revenues.

Last month, Honda Motor Co. swept away its geographic marketing groups and consolidated responsibility for worldwide automotive operations under Kawamoto to improve its ability to "respond to market changes," according to a spokesman in Tokyo.

Product limits

With a four-year product replacement cycle, Honda can respond to the market more quickly than most companies. But Honda's U.S. product lineup is narrow. And the Civic and Accord account for nearly 95 percent of Honda Division sales. With Accord now topping 400,000 units annually, Honda is staring at some limits after more than a decade of growth, concedes Thomas Elliott, American Honda's executive vice president. "We're doing so well in some segments of the automobile market that frankly to do a lot better is unrealistic," he says.

Though competing makes have two or three times as many models, Honda Division placed fifth in U.S. sales last year with 716,495 sales. It was behind only Ford Division, Chevrolet, Toyota (not including Lexus) and Dodge. And each of those sells cars as well as pickups, minivans and sport-utilities.

Elliott admits that Honda needs to move into another segment. "There are four to five million units a year of non-automobile sales out there (light trucks) and we're not currently getting any share of it," Elliott said.

Honda says it is studying the possibilities, with a North American-built minivan or sport-utility the most likely prospects.

In the meantime, Honda will get a new Prelude this fall, but Elliott isn't counting on it for huge volumes. Honda sold nearly 80,000 Preludes in 1986 and less than half that many last year. But a new Civic is also on the way for the 1992 model year, and Elliott thinks Civic sales will keep growing.



Elliott: staring at limits.

THE EVOLUTION OF ACCORD



The present-day Accord sedan is 184.8 inches long and costs \$14,895 with manual transmission.



In 1982, Accord sedan measured 165.8 inches in length and a five-speed carried a \$8,245 price tag.



In 1975, length was 176.5 inches; manufacturer's suggested retail price was \$11,979 for a five-speed.



In 1979, Accord sedan's overall length was 163.2 inches, the price for a five-speed was \$8,365.

Loses price advantage

While Civic, Prelude and Accord have been Honda's sole products for more than a decade, some dealers say Honda has gotten away from its image as a marketer of low-priced, fuel-efficient cars.

Elliott shares those concerns. "Unfortunately, Honda products are no longer the lowest price out there," Elliott said. "In many cases, domestic products have a significant price advantage."

He says Honda wants to keep a low-end market presence. "We have to find ways, product-wise, to attract first-time buyers."

He says future generations of the 660-cc Today and 1.2-liter City, two models sold in Japan, could find their way to America. Both are smaller than the current Civic.

While Elliott admits that Honda may have strayed some from its earlier reputation for high quality at a low price, he takes exception to complaints that Honda has lost its edge for innovation and is trying to be everything to everyone.

The conservative exterior design of the current Accord, redesigned for the 1990 model year, and Honda's decision to go with a four-cylinder rather than a six-cylinder engine are frequent criticisms. But Elliott dismisses them.

"We don't sell cars to journalists and analysts, we sell them to people who buy their car with payment at a time," he says. "And frankly, four-cylinder buyers aren't on the cutting edge. They don't have to believe it's leading edge to like it."

Elliott said he believes a four-cylinder engine is adequate. With "CAFE, EPA and all the rest, we have to look very carefully at any decisions to enlarge the engine."

Meanwhile, Camry, being redesigned for the 1992 model year, is expected to have a V-6 as standard, and Toyota will no doubt promote that as it tries to unseat Accord as the nation's No. 1 seller.

Showroom wars

Product aside, many analysts believe the battleground in the 1990s will be the dealership. And while Honda's products have enjoyed widespread acclaim, the rap

against the dealer body has been that they are simply order-takers.

"The dealers are pretty arrogant. They haven't had to work too hard for sales in the past," said Jim Wangers, senior managing partner of Automotive Marketing Consultants Inc. in San Diego. "If they have to, they can change engines to get more power (in the Accord), but I'm not sure they know how to get the dealer group in line."

While Honda has generally ranked near the top in most product-related surveys from J.D. Power and Associates, it's been an average performer in the Sales Satisfaction Index. After placing ninth in 1989, Honda scored below the industry average last year, outscored by at least 16 nameplates.

In a narrower category, Honda fell below the study's industry averages for salesperson performance in each of the last three years. Honda is "deeply concerned about its satisfaction rankings with the public," said one Honda dealer, who asked to remain anonymous.

Elliott admits that some of the accusations against Honda salespeople "had some validity in the past. But it hasn't been a seller's market for a long time, and I think we're past that."

Elliott said Honda is working to educate salespeople about products and customer service and is addressing salesperson retention.

Enviably position

Despite some complaints, all dealers interviewed for this story said they would not trade their Honda franchises for any other.

In another J.D. Power survey, 76 percent of the non-Honda dealers rated Honda's franchise desirability as "excellent."

A dealer in Texas said owners are asking for "\$2 million to \$3 million minimum" in blue-sky for Honda stores.

Elliott points to the newest J.D. Power survey, the Vehicle Performance Index, which asks customers about their cars after three years of ownership. Acura finished first and Honda took second.

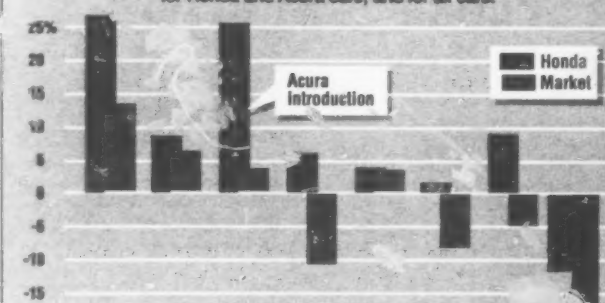
Honda advertises that it has been No. 1 in import owner loyalty for the last 14 years, based on repeat-buyer data from R.L. Polk. That claim reflects an almost cultish following despite an increasingly fickle marketplace.

"If Honda is missing a few beats, it's probably fewer than anybody else," said John Hudson, principal at Landor Associates, a San Francisco image consulting firm. A recent study by his firm ranked Honda 118th in a survey of 6,000 brand names worldwide and fifth highest among automakers.

"There's still something magical about Honda's name."

Honda vs. market

Bar chart compares percent changes in car unit sales vs. year earlier for Honda and Acura cars, and for all cars.



*First quarter 1991 vs. first quarter 1990

AUTOMOTIVE NEWS / April 8, 1991

For Acura: more dealers in the black, more competition for CSI title

LOS ANGELES -- From its beginnings as the first Japanese luxury franchise five years ago, Acura has had a mixed personality.

While Acura has been a leader in quality and customer satisfaction, Acura dealers have struggled to make their investments in separate showrooms pay off.

Now the tables may be turned. The potential for service business increases with each new Acura on the road — and now there are more than 600,000 of them, Acura estimates. With the

addition of the NSX and the new Vigor sedan, Acura has doubled its nameplates within the last year.

Dealers won't be selling many NSXs. Only 3,000 are headed to the U.S. annually. But the \$61,000 flagship carries a tidy \$10,000 dealer margin. And some have been selling for well above sticker.

Thomas Elliott, executive vice president of American Honda Motor Co. Inc., said more Acura dealers than ever are making money — "just above 50 percent." And that will improve with the ad-

ditional products. Acura sold 138,384 cars in 1990, 459 per dealer.

But as the money-making prospects improve, Acura's reign at the top of J.D. Power and Associates Customer Satisfaction Index rankings could be threatened.

"It's going to be real tough for Acura to hold onto the title," said one Power insider. In the 1991 survey, which comes out in July, Acura will have to battle Lexus and Infiniti for the first time.

Elliott takes the threat in stride. "The price of innovation is allow-

ing for copy cats," he said. "No question, we've got some tough competition. And in some areas, like sales satisfaction, we're not the strongest in the industry."

Elliott is trying to improve its customer service with a sales awareness effort that includes a ride-and-drive program with dealership employees in 12 markets. The hope is that salespeople who know Acura as well as the competition will be better able to serve "demanding luxury car buyers."

— Kristine Steven Breeze



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Path to Profits

Last year, truck dealers shifted emphasis onto service, parts and used-vehicle sales

By: Joseph Bohn

Medium- and heavy-truck dealer profitability got strafed last year, but proved its ability to withstand a sluggish national economy made even more uncertain by the Persian Gulf war.

When all was said and done, the American Truck Dealers' 20 Groups managed to average \$29,850 a month in net profits during 1990, only \$341 below 1989.

The creditable showing is attributed mainly to improvements in service and parts operations.

Unfortunately, even that was not enough to offset the concentrated financial hit suffered by

dealers in the last six months of 1990.

As ATD's 28th annual convention and exposition winds up at the Opryland Hotel in Nashville, Tenn., tomorrow under the theme "Reach for the High Notes," the new-vehicle market is still singing the blues as service, parts and used-truck sales continue to be the path to survival.

The 20 Groups' average monthly sales of \$1.589 million were off 6.1 percent in 1990 because of the sharp drop in business during the last six months of the year.

They had been running ahead of the year-earlier period until then, according to Fred Steven-

son, manager of ATD consulting services in McLean, Va.

Their profit as a percent of sales went up slightly, from 1.9 to 2.0 percent, in 1990 because of increased emphasis on parts and service.

Parts and service absorption increased 4.2 percent to an overall 88.8 percent, the highest level since ATD began tracking it five years ago.

Parts sales increased 9.7 percent to a \$334,500 monthly average, and labor sales climbed 14.8 percent to an average \$119,400 a month.

The gains stemmed from dealers doing more repair work and getting more overall business.

"Our guys have been working on service and parts in terms of improving their efficiency and attracting new business," Stevenson said.

New-truck department sales were off 12.5 percent to \$833,300 a month, reflecting poor market demand, although dealer grosses on them as a percent of sales increased slightly to 6.2 percent from 5.9 percent in 1989.

Dealers were almost dead even in year-to-year used-truck sales — \$166,700 in 1990 compared to \$166,200 the year before.

Grosses on used trucks reflected the tough market conditions. They dropped to 6.7 percent from 8.2 percent in 1989, with repossessions playing a key part in the decline.

Dealers did an exemplary job of keeping used-truck inventory under control and turning it frequently. Their monthly used-truck inventory averaged \$416,400, up only 1.8 percent from the year-earlier average.

Dealers turned the inventory an average 5.7

Dualing is mandatory to survival for many truck dealers

Freightliner Corp.'s new requirement for exclusivity in its medium-duty franchises isn't likely to spark any changes in dualing trends, according to dealers.

Most view duals as necessary to their survival, and see no change in that unless there is further erosion of the truckmaking ranks.

"I think they'll (other manufacturers) all watch Freightliner carefully. If Freightliner pulls it off, others will demand exclusivity. But they'll run into a lot of (dealer) resistance," said George Rafferty, owner Chicago Kenworth Inc. and president of the American Truck Dealers Division of the National Automobile Dealers Association in McLean, Va. "The issue won't go away

until there's a heckuva lot of consolidation among manufacturers."

For Rafferty, dualing is necessary because he needs medium-duty Isuzus and Hinos, in addition to Mid-Rangers and Kenworth heavy trucks, to keep his service shop busy.

"Too many Class 8 customers are self maintainers (do their own servicing) or they buy here and operate the trucks elsewhere," he said.

Rafferty concedes it is a "headache and expensive" to keep service and parts people trained to handle so many makes, but it is also a requisite to his survival.

He noted that none of his dealer acquaintances has dropped a secondary franchise. "If

anything, I detect less resistance on the part of most OEMs to dualing," he said.

Fred Stevenson, manager of ATD's 20 Groups and consulting services, also feels the trend is toward dualing rather than away from it.

"Manufacturers deny this," he said. "But I have a feeling a lot of guys (dealers) are thinking of dualing just so they can stay in business. I just came from a group of GM dealers. Out of 12 dealers, 11 were dualing."

The 20 Groups consist of 20 dealers, with similarly sized dealership handling similar products, who meet regularly to discuss various aspects of their businesses.

Barry Coffman, co-owner of Coffman Interna-

$$10 \times 520 = 1$$

It's new math for the trucking industry. For the last 10 years, 520 International® dealers have kept us the number 1 selling line of medium and heavy duty trucks in North America. Nobody offers more experience, knowledge, and service than International dealers. They're the pros we count on. And our customers count on. And we'd like to take this opportunity to say thanks.



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times during the year compared to a 5.2 turn rate the prior year.

Dealers increased their labor sales by 14.8 percent to \$119,400 a month. But gross profits on these sales dropped to 63.8 percent from 64.9 percent in 1989, reflecting a need to discount more heavily in order to get the extra business.

More encouraging were gross profits on parts sales, which increased to 25.8 percent from 25.4 percent in 1989.

Parts sales per employee also increased by 6.2 percent to \$24,700 on average. ATD guidelines call for an average of \$24,000 per employee. If a dealer has 10 employees, they should sell an average of \$240,000 worth of parts monthly.

"If you hit or exceed those guidelines, you're doing very well," Stevenson said.

Dealer parts inventories, averaging about \$725,500 a month last year, were up 2.9 percent over 1989. This represented about 2.8 months' worth of supply that they carried on average.

Once again, as a result of turning inventory better, the average was down from the prior year's 2.9 months.

Stevenson said ATD's guideline is 2.7 months. While dealers haven't hit the target yet, they are coming closer every year. The 1990 average was the best since ATD began tracking such inventories in 1986 when dealers averaged 3.5 months' supply of parts.

Reducing the average enables them to free up more capital for other dealership activities.

The 1990 data also showed dealers are watching their credit closely.

Although parts and service receivables grew to \$530,000, up 8.0 percent from 1989, receivables as a percent of parts and service sales dropped to 110.2 percent from 115.3 percent.

That compares to ATD's guideline of 115 percent. If parts and service receivables exceed the guideline, dealers are probably being too liberal in giving credit to customers. If the figure drops below 110 percent, the credit policies may be too tight, Stevenson said.

There are some exceptions. If a dealer does a lot of cash business, the figure could safely be below 110 percent.

Stevenson estimates dealer figures have been "about right" for market conditions that existed the past few years.

"When times get tight, guys tighten up on their credit policies — and they should," he said.

Dealer warranty sales continued to increase last year. The average monthly \$41,700 sale was up 19.8 percent.

This reflects the fact that vehicle and component warranties have been getting longer, a trend that is expected to continue.

Warranty receivables from factories increased only 3 percent, another good sign. It indicates that manufacturers are paying off claims more quickly. That figure had increased by about 13 percent in each of the prior three years. □

Joseph Bohn is truck editor of Automotive News.

Analysis of heavy-truck dealers

(Dollar amounts are in thousands)

	1985	1987	1988	1989	1990
Average month sales	\$1,127.5	\$1,362.5	\$1,518.2	\$1,589.0	\$1,492.5
Profit as percent of sales	1.8	1.8	2.2	1.9	2.0
Total assets	\$3,915.8	\$4,499.1	\$4,783.8	\$5,568.8	\$5,979.2
Return on assets	6.2	6.6	8.7	6.7	6.4
Net Worth	\$1,053.8	\$1,190.6	\$1,318.1	\$1,403.1	\$1,730.4
Return on net worth	23.1	24.9	30.4	28.6	17.7
Percent assets owned	26.9	26.5	27.7	27.1	29.6
Average month gross	\$171.2	\$188.6	\$216.5	\$233.2	\$250.0
Average month expense	\$154.8	\$178.8	\$190.9	\$208.2	\$225.0
Expenses as percent of sales	13.7	10.3	13.6	14.6	16.0
Expenses as percent of gross	90.4	94.8	93.8	95.4	96.3
Gross per employee	NA	NA	\$4.4	\$4.3	\$4.2
Expense per employee	NA	NA	\$3.7	\$3.8	\$3.8
Parts & service receivables	\$408.4	\$431.0	\$440.5	\$490.8	\$530.0
Parts & service sales	\$328.9	\$374.8	\$378.9	\$424.6	\$470.1
Percent past due	31.4	29.7	32.1	34.1	34.2
Warranty sales	\$19.8	\$23.9	\$27.5	\$34.8	\$41.7
Warranty receivables	\$54.9	\$67.4	\$80.4	\$93.8	\$96.9
New-truck sales	\$634.3	\$824.5	\$959.3	\$952.8	\$833.3
Gross as percent of sales	6.3	5.7	6.2	5.9	6.2
Used-truck sales	\$120.1	\$133.3	\$153.0	\$166.2	\$166.7
Gross as percent of sales	6.9	6.8	7.9	8.2	6.7
Used-truck inventory	\$273.2	\$307.6	\$360.7	\$409.0	\$416.4
Inventory turns	4.4	4.7	5.7	5.2	5.7
Labor sales	\$100.2	\$104.8	\$90.3	\$104.0	\$119.4
Gross as percent of sales	55.9	59.4	62.5	64.9	63.8
Parts sales	\$251.9	\$268.3	\$272.5	\$304.8	\$334.5
Gross as percent of sales	25.3	25.1	25.4	25.4	25.8
Sales per employee	\$21.7	\$23.5	\$23.6	\$24.2	\$25.7
Inventory	\$663.5	\$649.0	\$645.7	\$705.3	\$725.5
Inventory turns	3.4	3.7	3.8	4.1	4.3
Parts & service absorption	87.0	86.0	84.7	85.2	83.8
Prescription absorption	93.0	91.0	93.0	93.6	95.4

tional Inc. in Duthan, Ala., said dualing depends on what is offered by each manufacturer.

His dealership sells Mitsubishi medium-duty trucks, along with Navistar's broad line of mediums and heavies.

Coffman felt there was market potential for Class 3 to 6 cabover models, but Navistar cabovers, contracted through Nissan Diesel, only go through Class 5. He also disliked the three-party arrangement involving Nissan, Navistar and himself. "Our deal with Mitsubishi is between Mitsubishi and us," he said.

Navistar's agreement to distribute Nissan me-

dium duties ran out in September 1990. Nissan still accepts orders from Navistar, but Navistar has stopped accepting orders from dealers due to economic issues, according to Navistar spokesman John McDonald.

Robert Coffman, co-owner of Coffman International, would like to add Class 8 Kenworths or Peterbilts. He feels, at times, that Navistar doesn't have a "sexy enough or strong enough appeal" and that, with its broad line, it doesn't always have to be price competitive in Class 8.

Navistar can forgo the "heavy-duty discount game" if it chooses by lowering prices on its medium duties where it has more profit elasticity, according to Barry Coffman. Kenworth and Peterbilt don't have that luxury.

The Coffman brothers disagree about adding another Class 8 make, with Barry feeling it would create more extra work than it is worth.

"Just the sales meetings — the sales knowledge you have to have about the total lines of trucks — make it harder for the dealership," he said.

"How many warranty claims by different makes can you handle?" he said, noting separate warranties for Navistar, Mitsubishi and components.

Rick Kilgore, owner of Mack Sales Inc. in Birmingham, Ala., has dualized Mitsubishi and Nissan's UD lines.

"Our goal is to run more volume through the operation and keep fixed costs the same," he said. "To get service absorption to 100 percent, you've got to run more volume through it."

Kilgore said that with his overhead, he probably loses money on every import, although they provide "excellent parts and service business" because their drivers tend to be more abusive.

Charles Bowen, owner of Oklahoma City Freightliner, said dualing depends on the dealer's manufacturer and location. He has never had to dual, having been successful with just Freightliner and Mercedes-Benz.

"I can make a strong argument this is the way

Major Class 8 makes

Dealership	Volvo 80	Ford	Freightliner	Navistar	Mack	Kenworth	Peterbilt
GMC	70	—	26	19	5	9	13
Isuzu	16	31	23	14	20	7	1
Mitsubishi Fuso	9	14	9	20	14	2	1
Mercedes	23	10	—	4	10	8	1
Hino	9	13	2	8	6	10	8
Iveco	9	16	6	8	13	1	2
Volvo GM	—	7	28	5	4	6	5
Freightliner	28	16	—	4	5	—	—
Nissan Diesel	2	15	10	5	8	3	3
Ford	7	—	16	6	4	6	5
Western Star	8	10	12	4	2	—	—
International	5	6	4	—	3	—	3
Mack	4	4	5	3	—	3	1
Dodge	—	19	—	—	1	—	—
Kenworth	6	6	—	—	3	—	—
Peterbilt	5	5	—	3	1	—	—
Chevrolet	5	—	1	—	—	—	1
Marmon	1	2	1	1	1	—	—
Crane Carrier	—	—	2	2	—	—	—
Scania	1	—	—	1	1	—	—
Oshkosh	—	—	1	1	1	—	—
TOTAL DUALS	288	174	146	188	182	95	44
TOTAL DEALERS	135	573	135	345	130	79	88
EXCLUSIVES	19	438	12	256	67	35	39
DUALING DEALERS	116	—	123	95	71	35	38

Source: American Truck Dealers

to go," he said. "But in some markets, like Wyoming, in the oil fields, you may have to have an Autocar to supply the customer base that doesn't use Freightliner."

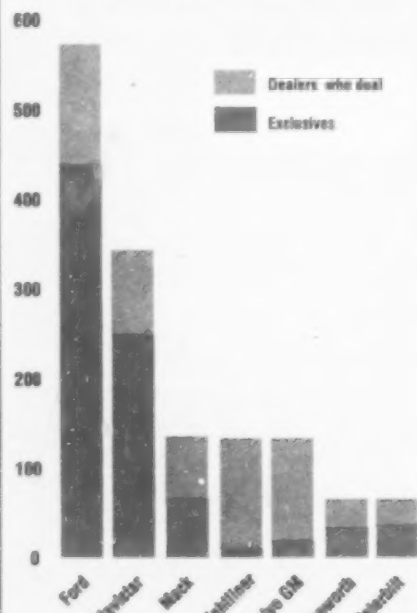
Added Brown: "There's people who represent a manufacturer who won't sell a handful of trucks a year. And if they do a true cost accounting, they can't even afford that. There are no Hondas in the heavy-truck business. It's strictly a commercial-type business, and the vehicles are viewed the same and bought the same way by everybody."

That, said Brown, makes it difficult for dealers with only Class 8 makes to avoid dualing. □

— Joseph Bohn

Dealers who dual

Some dealers dual with more than one franchise.



Source: American Truck Dealers

AUTOMOTIVE NEWS / JANUARY 8, 1991

U.S. CAR AND LIGHT-TRUCK SALES, MARCH — 1991 vs. 1990 (ranked by car and light-truck total sales)

Make	Car Sales		1991 Share	1990 Share	Truck Sales		1991 Share	1990 Share	Car & Truck Totals		% Share of Total Car & Truck Market		Changes	
	1991	1990			1991	1990			1991	1990	1991	1990	Share (Points)	Sales (Percent)
Ford	99,082	121,529	13.6	14.3	98,795	126,975	27.8	30.0	197,877	248,504	18.2	19.5	-1.3	-20.4
Chevrolet/Geo	101,038	130,585	13.8	15.3	94,403	117,398	26.6	27.7	195,441	247,983	18.0	19.5	-1.4	-21.2
Toyota	62,035	67,849	8.5	8.0	22,695	23,195	6.4	5.5	84,730	91,044	7.8	7.1	0.7	-6.9
Dodge	24,990	29,400	3.4	3.5	42,810	42,838	12.1	10.1	67,800	72,238	6.2	5.7	0.6	-6.1
Honda	62,258	59,255	8.5	7.0	—	—	—	—	62,258	59,255	5.7	4.6	1.1	5.1
Pontiac	47,366	50,886	6.5	6.0	1,883	2,583	0.5	0.6	49,249	53,469	4.5	4.2	0.3	-7.9
Buick	46,634	45,674	6.4	5.4	—	—	—	—	46,634	45,674	4.3	3.6	0.7	2.1
Nissan	30,284	41,991	4.1	4.9	14,518	20,217	4.1	4.8	44,802	62,208	4.1	4.9	-0.8	-26.0
Oldsmobile	38,034	47,452	5.2	5.6	2,397	1,830	0.7	0.4	40,431	49,282	3.7	3.9	-0.1	-18.0
Mazda	27,124	26,696	3.7	3.1	10,094	9,971	2.8	2.4	37,218	36,667	3.4	2.9	0.6	1.5
Mercury	32,235	35,656	4.4	4.2	—	—	—	—	32,235	35,656	3.0	2.8	0.2	-9.6
Plymouth	15,821	22,090	2.2	2.6	15,873	12,191	4.5	2.9	31,694	34,281	2.9	2.7	0.2	-7.5
GMC	—	—	—	—	24,520	29,505	6.9	7.0	24,520	29,505	2.3	2.3	-0.1	-16.9
Cadillac	18,862	27,776	2.6	3.3	—	—	—	—	18,862	27,776	1.7	2.2	-0.4	-32.1
Lincoln	17,809	24,546	2.4	2.9	—	—	—	—	17,809	24,546	1.6	1.9	-0.3	-27.4
Acura	12,703	11,831	1.7	1.4	—	—	—	—	12,703	11,831	1.2	0.9	0.2	7.4
Mitsubishi	10,815	14,995	1.5	1.8	1,564	3,642	0.4	0.9	12,379	18,637	1.1	1.5	-0.3	-33.6
Jeep	—	—	—	—	12,216	18,398	3.4	4.3	12,216	18,398	1.1	1.4	-0.3	-33.6
Hyundai	12,005	11,979	1.6	1.4	—	—	—	—	12,005	11,979	1.1	0.9	0.2	0.2
Subaru	11,439	11,305	1.6	1.3	—	—	—	—	11,439	11,305	1.1	0.9	0.2	1.2
Isuzu	746	402	0.1	0.0	9,731	11,604	2.7	2.7	10,477	12,006	1.0	0.9	0.0	-12.7
Chrysler	9,811	14,696	1.3	1.7	379	238	0.1	0.1	10,190	14,934	0.9	1.2	-0.2	-31.8
VW	8,191	13,032	1.1	1.5	456	659	0.1	0.2	8,647	13,691	0.8	1.1	-0.3	-36.8
Volvo	7,358	7,265	1.0	0.9	—	—	—	—	7,358	7,265	0.7	0.6	0.1	1.3
Mercedes-Benz	5,234	6,891	0.7	0.8	—	—	—	—	5,234	6,891	0.5	0.5	-0.1	-24.0
Eagle	5,091	4,663	0.7	0.5	—	—	—	—	5,091	4,663	0.5	0.4	0.1	9.2
BMW	4,672	5,436	0.6	0.7	—	—	—	—	4,672	5,436	0.4	0.4	0.0	-14.1
Lexus	4,459	4,861	0.6	0.6	—	—	—	—	4,459	4,861	0.4	0.4	0.0	-8.3
Saab	3,752	2,277	0.5	0.3	—	—	—	—	3,752	2,277	0.3	0.2	0.2	64.8
Saturn	3,302	—	0.5	0.0	—	—	—	—	3,302	—	0.3	0.0	0.3	—
Suzuki	500	475	0.1	0.1	1,926	1,600	0.5	0.4	2,426	2,075	0.2	0.2	0.1	16.9
Infiniti	2,389	1,549	0.3	0.2	—	—	—	—	2,389	1,549	0.2	0.1	0.1	54.2
Jaguar	1,038	1,746	0.1	0.2	—	—	—	—	1,038	1,746	0.1	0.1	0.0	-40.5
Audi	861	2,255	0.1	0.3	—	—	—	—	861	2,255	0.1	0.2	-0.1	-61.8
Daihatsu	536	1,219	0.1	0.1	226	484	0.1	0.1	802	1,703	0.1	0.1	-0.1	-52.9
Porsche	533	940	0.1	0.1	—	—	—	—	533	940	0.0	0.1	0.0	-43.3
Peugeot	347	481	0.0	0.1	—	—	—	—	347	481	0.0	0.0	0.0	-27.9
Alfa Romeo	340	266	0.0	0.0	—	—	—	—	340	266	0.0	0.0	0.0	27.8
Range Rover	—	—	—	—	319	360	0.1	0.1	319	360	0.0	0.0	0.0	-11.4
Sterling	240	405	0.0	0.0	—	—	—	—	240	405	0.0	0.0	0.0	-40.7
Yugo	146	571	0.0	0.1	—	—	—	—	146	571	0.0	0.0	0.0	-74.4
Rolls/Bentley*	100	100	0.0	0.0	—	—	—	—	100	100	0.0	0.0	0.0	0.0
Ferrari*	80	80	0.0	0.0	—	—	—	—	80	80	0.0	0.0	0.0	0.0
Lotus*	27	27	0.0	0.0	—	—	—	—	27	27	0.0	0.0	0.0	0.0
Maserati*	20	20	0.0	0.0	—	—	—	—	20	20	0.0	0.0	0.0	0.0
Lamborghini*	13	13	0.0	0.0	—	—	—	—	13	13	0.0	0.0	0.0	0.0
Aston Martin*	5	5	0.0	0.0	—	—	—	—	5	5	0.0	0.0	0.0	0.0
TOTAL	730,325	851,170	100.0	100.0	354,845	423,688	100.0	100.0	1,085,170	1,274,858	100.0	100.0	0.0	-14.9

*Excludes

*Estimate

U.S. CAR AND LIGHT-TRUCK SALES, 1st QUARTER — 1991 vs. 1990 (ranked by car and light-truck total sales)

Make	Car Sales		1991 Share	1990 Share	Truck Sales		1991 Share	1990 Share	Car & Truck Totals		% Share of Total Car & Truck Market		Changes	
	1991	1990			1991	1990			1991	1990	1991	1990	Share (Points)	Sales (Percent)
Ford	268,246	342,735	14.1	14.8	261,730	341,366	29.1	29.5	529,976	684,101	18.9	19.7	-0.8	-22.5
Chevrolet/Geo	270,458	349,499	14.2	15.2	239,177	312,473	26.6	27.0	509,635	663,201	18.2	19.1	-0.9	-23.2
Toyota	150,194	173,589	7.9	7.5	49,897	59,905	5.5	5.2	200,091	233,494	7.1	6.7	-14.3	2.2
Dodge	84,884	87,929	4.5	3.8	107,151	135,296	11.9	11.7	192,035	223,225	6.8	6.4	0.4	-14.0
Honda	136,931	158,398	7.2	6.8	—	—	—	—	136,931	158,398	4.9	4.6	0.3	-13.6
Buick	128,501	130,910	6.7	5.7	—	—	—	—	128,501	130,910	4.6	3.8	0.8	-1.8
Pontiac	119,176	146,430	6.3	6.3	4,709	6,315	0.5	0.5	123,885	152,745	4.4	4.4	0.0	-18.9
Nissan	76,790	107,037	4.0	4.6	37,343	42,909	4.2	3.7	114,133	149,946	4.1	4.3	-0.3	-23.9
Oldsmobile	97,831	132,153	5.1	5.7	5,708	4,808	0.6	0.4	103,539	136,961	3.7	3.9	-0.3	-24.4
Mazda	63,454	62,407	3.3	2.7	25,736	26,484	2.9	2.3	89,190	88,891	3.2	2.6	0.6	0.3
Plymouth	48,840	66,447	2.6	2.9	39,573	50,755	4.4	4.4	88,413	117,202	3.2	3.4	-0.2	-24.6
Mercury	84,501	97,638	4.4	4.2	—	—	—	—	84,501	97,638	3.0	2.8	0.2	-13.5
GMC	—	—	—	—	60,960	79,034	6.8	6.8	60,960	79,034	2.2	2.3	-0.1	-22.9
Cadillac	52,819	69,507	2.8	3.0	—	—	—	—	52,819	69,507	1.9	2.0	-0.1	-24.0
Mitsubishi	39,312	46,416	2.1	2.0	8,043	11,033	0.9	1.0	47,355	57,449	1.7	1.7	0.0	-17.6
Lincoln	46,629	62,678	2.4	2.7	—	—	—	—	46,629	62,678	1.7	1.8	-0.1	-25.6
Jeep	—	—	—	—	35,678	52,271	4.0	4.5	35,678	52,271	1.3	1.5	-0.2	-31.7
Acura	31,465	31,937	1.7	1.4	—	—	—	—	31,465	31,937	1.1	0.9	0.2	-1.5
Chrysler	30,111	42,079	1.6	1.8	890	894	0.1	0.1	31,001	42,973	1.1	1.2	-0.1	-27.9
Hyundai	28,325	34,411	1.5	1.5	—	—	—	—	28,325	34,411	1.0	1.0	0.0	-17.7
Subaru	26,557	24,575	1.4	1.1	—	—	—	—	26,557	24,575	0.9	0.7	0.2	8.1
Volkswagen	22,134	29,155	1.2	1.3	1,155	1,501	0.1	0.1	23,289	30,656	0.8	0.9	-0.1	-24.0
Volvo	18,339	22,400	1.0	1.0	—	—	—	—	18,339	22,400	0.7	0.6	0.0	-18.1
Isuzu	1,870	836	0.1	0.0	15,518	26,584	1.7	2.3	17,388	27,420	0.6	0.8	-0.2	-36.6
Mercedes-Benz	12,593	17,356	0.7	0.8	—	—	—	—	12,593	17,356	0.4	0.5	-0.1	-27.4
Eagle	12,109	14,828	0.6	0.6	—	—	—	—	12,109	14,828	0.4	0.4	0.0	-18.3
Lexus	11,886	13,167	0.6	0.6	—	—	—	—	11,886	13,167	0.4	0.4	0.0	-9.7
BMW	10,585	14,468	0.6	0.6	—	—	—	—	10,585	14,468	0.4	0.4	0.0	-26.8
Saturn	6,878	0	0.4	0.0	—	—	—	—	6,878	0	0.2	0.0	0.2	—
Saab	6,593	6,332	0.3	0.3	—	—	—	—	6,593	6,332	0.2	0.2	0.1	4.1
Infiniti	6,156	3,695	0.3	0.2	—	—	—	—	6,156	3,695	0.2	0.1	0.1	66.6
Suzuki	1,259	1,605	0.1	0.1	4,430	4,244	0.5	0.4	5,689	5,849	0.2	0.2	0.0	-2.7
Audi	2,578	4,949	0.1	0.2	—	—	—	—	2,578	4,949	0.1	0.1	-0.1	-47.9
Daihatsu	1,409	3,648	0.1	0.2	790	1,025	0.1	0.1	2,199	4,673	0.1	0.1	-0.1	-52.9
Jaguar	2,117	4,744	0.1	0.2	—	—	—	—	2,117	4,744	0.1	0.1	-0.1	-55.4
Porsche	1,096	2,360	0.1	0.1	—	—	—	—	1,096	2,360	0.0	0.1	0.0	-53.6
Peugeot	1,009	1,129	0.1	0.0	—	—	—	—	1,009	1,129	0.0	0.0	0.0	-10.6
Alfa Romeo	860	577	0.0	0.0	—	—	—	—	860	577	0.0	0.0	0.0	49.0
Yugo	761	1,994	0.0	0.1	—	—	—	—	761	1,994	0.0	0.1	0.0	-61.8
Range Rover	—	—	—	—	731	1,095	0.1	0.1	731	1,095	0.0	0.0	0.0	-33.2
Sterling	656	1,403	0.0	0.1	—	—	—	—	656	1,403	0.0	0.0	0.0	-53.2
Rolls/Bentley*	300	300	0.0	0.0	—	—	—	—	300	300	0.0	0.0	0.0	0.0
Ferrari*	240	240	0.0	0.0	—	—	—	—	240	240	0.0	0.0	0.0	0.0
Lotus*	81	81	0.0	0.0	—	—	—	—	81	81	0.0	0.0	0.0	0.0
Maserati*	60	60	0.0	0.0	—	—	—	—	60	60	0.0	0.0	0.0	0.0
Lamborghini*	39	39	0.0	0.0	—	—	—	—	39	39	0.0	0.0	0.0	0.0
Aston Martin*	15	15	0.0	0.0	—	—	—	—	15	15	0.0	0.0	0.0	0.0
TOTAL	1,906,647	2,313,385	100.0	100.0	899,219	1,157,992	100.0	100.0	2,805,866	3,471,377	100.0	100.0	0.0	-19.2
TOTAL BIG 3	1,250,983	1,544,062	65.6	67.7	755,576	983,212	84.0	84.9	2,006,559	2,527,274	71.5	72.8	-1.3	-20.6
TOTAL JAPAN	547,283	627,310	28.7	27.1	141,757	172,184	15.8	14.9	489,040	799,494	24.6	23.0	1.5	-13.8
TOTAL EUROPE	80,056	107,602	4.2	4.7	1,886	2,596	0.2	0.2	81,942	110,198	2.9	3.2	-0.3	-25.6
GM	675,663	828,499	35.4	35.9	310,554	402,630	34.5	34.8	986,217	1,232,358	35.1	35.5	-0.4	-20.0
Ford	399,376	503,051	20.9	21.7	261,730	341,366	29.1	29.5	661,106	844,417	23.6	24.3	-0.8	-21.7
Chrysler	175,944	211,283	9.2	9.1	183,292	239,216	20.4	20.7	359,236	450,499	12.8	13.0	-0.2	-20.3
Toyota/Lexus	162,080	186,756	8.5	8.1	49,897	59,905	5.5	5.2	211,977	246,661	7.6	7.1	0.4	-14.1
Honda/Acura	168,396	190,335	8.8	8.2	—	—	—	—	168,396	190,335	6.0	5.5	0.5	-11.5
Nissan/Infiniti	82,946	110,732	4.4	4.0	37,343	42,909	4.2	3.7	120,289	153,641	4.3	4.4	-0.1	-21.7
VW/Audi	24,712	34,104	1.3	1.1	1,155	1,501	0.1	0.1	25,867	35,605	0.9	1.0	-0.1	-27.4
+Geo	54,245	72,412	2.8	3.2	6,024	7,572	0.7	0.7	60,269	81,213	2.1	2.3	-0.2	-25.5

DOMESTIC CAR SALES, MARCH & YTD

	March 1991	Same Month 1990	Jan. 1 to Mar. 31, 1991	Same Period 1990
Summit	520	0	1,345	0
Talon	2,933	1,914	7,222	6,517
Premier	1,021	1,200	1,837	3,942
Total Eagle	4,474	3,114	10,404	10,657
Horizon	76	2,133	247	6,626
Laser	2,473	3,879	6,133	13,066
Sundance	2,864	5,321	9,319	14,022
Reliant	0	420	0	1,560
Acclaim	9,283	8,598	30,112	25,929
Total Plymouth	14,696	20,351	45,811	61,203
LeBaron A	1,520	2,129	4,421	3,240
LeBaron J	3,863	4,670	9,329	13,726
LeBaron GTS	0	177	0	621
Fifth Avenue (rwd)	0	90	0	438
Fifth Avenue (fwd)	2,554	2,789	9,666	9,243
Imperial	588	1,224	2,616	3,384
New Yorker C	974	3,175	3,608	9,620
Total Chrysler	9,499	14,254	29,640	40,272
Omni	75	2,245	259	6,555
Shadow	5,757	5,772	15,695	16,580
Monaco	410	264	833	601
Daytona	1,338	3,016	3,510	8,893
Aries	0	353	0	1,220
Lancer	0	118	0	509
Spirit	7,627	7,240	26,601	22,425
Dynasty	6,806	8,637	29,865	25,964
Total Dodge	22,013	27,645	76,763	82,747
CHRYSLER CORP.	50,682	65,364	162,618	194,879
Escort	17,660	23,417	61,477	66,883
Mustang	6,295	11,592	17,268	30,478
Tempo	20,240	21,533	50,669	62,006
Taurus	27,768	29,184	75,566	84,372
Thunderbird	8,732	10,921	19,888	27,923
Probe	6,684	9,744	17,159	27,893
Crown Victoria	8,025	9,649	17,405	26,794
Total Ford Div.	95,404	116,040	259,432	326,349
Topaz	5,417	7,099	13,544	20,047
Sable	7,733	9,148	21,882	25,548
Cougar	4,632	8,349	12,221	20,077
Grand Marquis	8,479	9,303	19,929	26,281
Total Mercury	26,261	33,899	67,576	91,953
Continental	5,135	6,341	13,847	18,407
Town Car	11,882	15,989	30,527	37,537
Mark VII	792	2,216	2,255	6,734
Total Lincoln	17,809	24,546	46,629	62,678
Total L-M Div.	44,070	58,445	114,205	154,631
FORD MOTOR CO.	139,474	174,485	373,637	480,980
Skyhawk	0	108	0	458
Skyline	1,112	0	1,592	0
Somerset/Skyline	7,867	8,258	25,205	26,144
Century	9,400	10,629	26,371	30,950
Regal	9,361	4,510	24,486	13,342
LeSabre	10,852	15,492	26,768	38,203
Reatta	243	643	666	1,620
Electra/Park Ave.	6,376	4,019	19,485	15,336
Riviera	1,423	2,015	3,928	4,857
Total Buick	46,634	45,674	128,501	130,910
Allante	223	289	525	835
Seville	4,748	3,333	9,479	7,696
DeVille	9,616	17,955	32,411	46,078
Brougham	2,390	3,985	6,410	9,240
Eldorado	1,885	2,214	3,994	5,658
Total Cadillac	18,862	27,776	52,819	69,507
Geo Metro	5,644	1,407	18,095	2,636
Geo Prizm/Nova	5,139	9,335	19,010	26,268
Cavalier	27,150	29,440	75,879	77,009
Camaro	3,983	6,739	9,927	17,255
Celebrity	114	2,697	3,884	7,827
Corsica/Beretta	17,388	27,489	42,853	80,018
Lumina/Monte Carlo	20,868	20,828	47,596	57,389
Caprice	12,392	16,297	31,887	35,130
Corvette	1,837	1,995	4,187	5,095
Total Chevrolet	94,515	116,227	253,318	308,627
Calais	9,512	9,350	21,070	24,410
Cutlass Ciera	8,357	11,656	21,473	32,456
Cutlass Supreme	7,978	11,001	20,591	32,033
88	7,058	9,390	20,549	27,608
98	4,350	4,613	12,065	12,211
Toronado	779	1,442	2,083	3,435
Total Oldsmobile	38,034	47,452	97,831	132,153
Sunbird	7,749	8,341	22,192	26,435
Firebird	1,666	3,380	4,653	9,278
Grand Am	17,690	16,003	42,159	46,295
Pontiac 6000	2,408	5,239	6,644	13,859
Grand Prix	9,247	10,392	22,488	26,757
Bonneville H	5,551	5,285	13,672	17,422
Total Pontiac	44,311	48,640	111,808	140,046
Total Saturn	3,302	0	6,878	0
GENERAL MOTORS	245,658	285,769	651,135	781,243
Civic	9,710	15,736	24,336	43,065
Accord	32,917	23,783	66,477	61,803
HONDA	42,627	39,519	90,813	104,868
MX-6	4,479	5,477	9,974	10,030
626	7,659	5,718	19,302	9,894
MAZDA	12,138	11,195	29,276	19,924
MITSUBISHI	4,380	4,719	18,170	13,192
NISSAN	11,006	9,381	26,887	22,221
Corolla	10,545	12,588	24,493	30,429
Camry	17,693	19,636	40,679	50,984
TOYOTA	28,238	32,224	65,172	81,413
SUBARU	4,588	293	10,198	409
SUZUKI	96	0	135	0
DOMESTIC TOTAL	538,887	622,949	1,428,061	1,699,129
IMPORT TOTAL	191,438	226,813	478,586	613,827
INDUSTRY TOTAL	730,325	851,178	1,906,647	2,312,956

*Estimate

CAFE

FROM PAGE 1
economy. The NHTSA report shows that eight of the 10 Asian importers had a lower CAFE in 1990 than in 1989.

But General Motors had the most dramatic decrease in CAFE for an import fleet, falling 5 mpg to 32.1 mpg. The big fall reflects the addition of Saab Automobile and GM's Canadian production to its fleet fuel-economy calculations.

GM acquired a 50 percent stake in the Swedish automaker last

year. GM boosted the domestic content of its Canadian-made Geo line to 75 percent, making the fuel-efficient vehicles domestics rather than imports.

Subaru of America's CAFE took an equally steep plunge, falling 4.7 mpg to 27.8 mpg. Subaru said its CAFE fell because it introduced the Legacy, its first mid-sized car, in 1989.

Alex Fedorak, a spokesman for Subaru, said the CAFE numbers are actually good news because

A NHTSA analyst estimated GM's penalty at \$55 million, Ford's at \$90 million. Chrysler's had not been calculated. Because of credits, none will have to pay.

LIGHT-DUTY TRUCK SALES, MARCH & YTD

	Mar 1991	Mar 1990	3 Mos. 1991	3 Mos. 1990
Vans	7,776	14,110	22,612	36,496
Aerostar	12,133	15,507	31,576	44,105
Club Wagon	1,666	1,992	4,228	5,677
Ranger	21,096	25,530	56,935	69,906
Bronco	2,304	6,147	6,172	15,895
Bronco II/Explorer	22,229	7,591	55,668	22,122
Pickups	31,591	56,098	84,539	147,165
Ford	98,795	126,975	261,730	341,366
Vans	7,019	10,415	16,934	25,683
Sportsvan	688	1,012	1,515	2,082
Geo Tracker	2,128	2,790	6,024	7,572
Astro	10,571	12,004	24,271	33,033
Lumina APV	4,060	4,809	9,946	11,904
S-10	19,622	15,177	48,379	43,977
S-10 Blazer	10,133	12,193	29,288	33,842
Blazer	1,162	1,765	2,827	5,219
Suburban	3,092	6,253	8,565	15,160
Pickups	35,928	50,980	91,428	134,001
Chevrolet	94,403	117,398	239,177	312,473
Pontiac Trans Sport	1,883	2,583	4,709	6,315
Olds Silhouette	2,397	1,830	5,708	4,808
Vans	4,740	5,396	10,692	13,643
Ram Wagon	2,351	2,300	4,456	5,948
Voyager	15,873	12,191	39,573	50,755
Caravan	18,802	13,751	49,358	57,874
Caravan C/V	742	917	1,751	2,858
Town & Country	379	238	890	894
Ram 50	380	1,335	1,131	3,875
Raider	0	173	0	676
Ramcharger	553	979	1,610	2,912
Dakota	6,883	8,013	18,207	21,519
Pickups	8,359	9,974	19,946	25,991
Chrysler	59,062	55,267	147,614	186,945
Vans	2,968	3,623	6,307	8,469
Safari	2,726	2,749	6,927	7,767
S-1/Sonoma	4,322	3,417	10,490	9,910
S-15 Jimmy	2,643	2,891	6,950	8,143
Jimmy	262	559	739	1,548
Suburban	1,251	2,475	3,338	6,198
Pickups	10,082	13,450	25,406	36,102
P Model	187	226	485	625
W-4	79	115	318	272
GMC	24,520	29,505	60,960	79,034
Wrangler	3,045	4,810	8,204	11,242
Wagoner	0	294	0	985
Cherokee	8,329	11,134	25,039	33,873
Grand Wagoner	331	592	983	1,765
Comanche	511	1,568	1,452	4,406
Jeep	12,216	18,398	35,678	52,271
Daihatsu	266	484	790	1,025
Pickup*	3,775	2,979	5,855	7,619
Amigo	667	1,021	1,160	2,457
Trooper	2,983	7,604	5,014	16,178
Rodeo	2,306	0	3,489	0
Isuzu	9,731	11,604	15,518	26,584
Pickup	4,089	6,402	11,330	17,106
MPV	5,160	3,569	11,822	9,378
Navajo	845	0	2,584	0
Mazda	10,094	9,971	25,736	26,484
Pickup	969	2,460	5,519	7,414
Montero	591	1,108	2,477	3,370
Van	4	74	47	249
Mitsubishi	1,564	3,642	8,043	11,033
Pickup*	11,162	15,517	28,618	32,875
Pathfinder	3,284	2,893	8,271	7,089
Axxess	72	807	208	2,268
Van	0	9	2	23
Hawaii	0	191	244	654
Nissan	14,518	20,217	37,343	42,909
Range Rover	319	360	731	1,095
Samurai	450	571	1,235	1,395
Sidekick	1,476	1,029	3,195	2,849
Suzuki	1,926	1,600	4,430	4,244
Pickups	13,695	16,534	29,952	42,572
Previa	4,717	2,106	8,015	3,385
4 Runner	3,591	4,181	6,858	12,609
Land Cruiser	692	355	3,137	1,134
Van	0	19	1,935	205
Toyota	22,695	23,195	49,897	59,905
Volkswagen	456	659	1,155	1,501
Imports	61,569	90,107	143,643	207,358
Industry Total	354,845	423,688	899,219	1,157,992

*Includes domestic vehicles

Sales charts compiled by Karen Delkewski

PASSENGER CAR FUEL ECONOMY

Model Year CAFE (mpg)	1989	1990
Manufacturer*		
Chrysler	28.0	27.1
Ford	26.6	26.4
GM	27.2	27.1
Big 3 sales weighted average	27.1	26.9
Alfa Romeo	26.9	30.1
BMW	22.2	22.2
Chrysler Imports	30.3	30.5
Daihatsu	44.1	41.5
Ford Imports**	31.5	32.3
GM Imports**	37.1	32.1
Honda	31.6	30.9
Hyundai	33.4	33.3
Isuzu	35.8	33.2
Jaguar	20.4	—
Mazda	29.8	30.5
Mercedes-Benz	21.4	21.4
Mitsubishi	31.4	30.0

ESCORT

FROM PAGE 1

Honda to be successful," said Goldfarb.

Of the group, Goldfarb said: "In their hearts, they may have really wanted a Honda, but then logic took over and they said: 'Why should I pay so much more?' " Honda Civic suggested retail prices range from \$6,995 to \$13,320, and Accords are \$12,525 to \$19,795. Escorts are \$8,016 to \$11,524.

In spite of being badgered by friends, or perhaps because of it, almost all of the group could articulate clearly why they bought an Escort. They believed that the car offered high value.

"I got a really loaded car at a good price," said Eugene, a student and grocery clerk.

Goldfarb said he will suggest that Ford put more emphasis on the value message in advertising. He also said Ford should play up the fact that Mazda is Ford's manufacturing partner and that the car shares many components with the Mazda 323.

"We thought the Mazda connection was a plus, that the influence of a Japanese carmaker was good," said Nancy, an aerospace engineer and mother of two.

Goldfarb said he heard similar comments around the country — except in Detroit. He said Ford could put the Mazda connection in advertising and instruct salespersons to mention it.

None of the buyers mentioned advertising when Goldfarb asked how they had heard about Escort. When he asked about advertising specifically, the only ads the group could recall were regional dealer spots featuring actress Lindsay Wagner.

Other small issues popped up in the focus groups, including complaints that the oil dipstick is too hard to find, the automatic seat belts are irritating and the cupholders are too narrow. At every stop, Goldfarb said, buyers "seemed prepared to recommend the car. They're even bragging about it in environments where they're going against the grain."

CORVETTE

FROM PAGE 3

said Steve Campbell, project manager at the Mercury Marine engine plant in Stillwater. "It turned out to be a tolerance issue on one journal of the camshaft. But until we were able to determine what was causing the problem, we just sort of sat still. Eventually it turned out to be nothing that interfered with the customers. And it only involved 17 engines — all of which were caught before they reached customers."

Only last week, the carmaker's public relations staff acknowledged for the first time that the engine gremlin had popped up.

"In all, there were seven engine failures in the shipping yard at Bowling Green," said Tom Hoxie, a Chevrolet spokesman. "What was happening was the front camshaft bearing journal was being destroyed by a lack of oil during cold-start. The camshaft locked and then the (camshaft) gear sprocket broke off. The problem was caused

by a slightly oversized cam journal in a green engine combined with below 30 temperatures."

Engineers said cold engines start up with low oil pressure and thick, heavy oil that is difficult for the engine to pump. But the spinning camshaft depends on thin, pressurized films of oil that support and lubricate the moving cam from the stationary head bearings. The front camshaft bearing is the "last outpost" on the oil circuit.

Mercury's Campbell and Chevrolet engineers insist that the problem has been fully corrected. Campbell said all of the affected engines were destroyed "looking for the root cause during analysis."

A spokesman at Chevrolet told *Automotive News* that "software changes" to the electronic control unit now limit LT5 engine revs until engine coolant reaches a certain warm-up temperature and sufficient oil pressure is assured at all bearing surfaces.

Incentives blossom for 7 makes

Imports and domestics ladle out cash to spark spring sales

By Ariana Sawyers

AUTOMOTIVE NEWS STAFF REPORTER

Four imported makes plus Chevrolet, Pontiac and GMC Truck fueled the incentive fires last week by announcing new or extended programs.

● **Nissan Motor Corp. in U.S.A.** added the 1991 Sentra to its dealer incen-

tives and extended all others.

Nissan is paying dealers a flat incentive of \$1,500 on each 1990 Pathfinder. The rest of the payments are tied to the dealer's performance against quota. Rebates include 1991 Pathfinder, zero to \$1,500; 1990 and 1991 Stanza, zero to \$1,500; 1991 Sentra, zero to \$700; and pickups, \$400 to \$1,200. Nissan incentives expire May 2.

● **American Honda Motor Co.** is paying dealers \$500 on 1991 Accords through April 30.

● **American Isuzu Motors Inc.** started its new dealer incentive program, "The Big Deal," April 1. Through June 30, Isuzu dealers receive

points for each car and truck they sell. At the end of the program the points will be converted into cash incentives of \$800 to \$2,000 per vehicle.

The 1990 and 1991 vehicles included are Impulse, I-Mark, Trooper, Stylus, Amigo, Rodeo and pickup.

● **Hyundai Motor America** is offering dealer and customer incentives through July 2. Customers will receive \$500 on 1990 and 1991 Excel three-door L, \$700 on 1990 and 1991 Excel three-door GS and Excel four-door L/GL and \$1,000 on 1990 and 1991 Excel four-door GLS. Retail rebates of \$1,000 on 1990 and 1991 Sonatas (non-Special Edition) and \$750 on 1991 Scoupe (non-Special Edition) are also offered.

Hyundai dealers are eligible for \$100 to \$300 depending on the number of 1991 SE Sonatas and Scoupe sold. The payment levels are: four to nine vehicles, \$100; 10 to 15 vehicles, \$200; and 16 and over, \$300.

● **GMC Truck** increased the retail incentive on 1990 Sierra and cab chassis to \$750 from \$500. The offer ends May 5. As an alternative to rebates consumers may choose financing ranging from 8.9 percent to 10.9 percent, depending on contract length.

● **Pontiac** is offering a \$1,000 consumer incentive on 1991 Grand Am models through July 7. As an alternative to the rebates consumers may choose financing ranging from 4.9 percent to 10.9 percent.

● **Chevrolet** adjusted and extended its consumer incentives. It increased the rebate on its 1991 Geo Storm to \$1,000 from \$800. The 1990 and 1991 Geo Tracker and 1990 and 1991 Camaro were added and all now carry \$500 rebates.

The \$500 rebate on the 1990 and 1991 Astro was increased to \$1,000. All 1990 and 1991 V Blazers and 1990 and 1991 Suburbans now carry a \$1,000 rebate. The 1991 V Blazer and 1991 Suburban previously had a \$500 rebate.

Chevrolet reduced from \$750 to \$500 the incentive on the 1991 R/V pickup and cab chassis. It increased from \$500 to \$750 the incentive on the 1990 pickup and cab chassis.

In lieu of rebates consumers may choose financing of 8.9 percent for 12- to 48-month contracts and 10.9 percent for 49- to 60-month contracts.

The incentives on 1990 Chevrolet vehicles expire May 5; the 1991 Suburban incentive ends Sept. 25. All other 1991 incentives expire July 7.

INCENTIVE WATCH DEALER INCENTIVES

Rebate Expiration Date

Chrysler Corp. (1990)

Dodge Spirit	\$500	6/30
Monaco	\$1,000-2,000, based on sales	9/30

Dodge Ramcharger	\$1,000	6/30
Eagle Premier	\$1,000-2,000, based on sales	9/30

Jeep Grand Wagoneer	\$3,500	6/30
Plymouth Acclaim	\$500	6/30

Chrysler Corp. (1991)

Dodge Spirit	\$500	6/30
Monaco	\$1,000-2,000, based on sales; also \$1,000 for each car ordered from factory	9/30

Dodge Ramcharger	\$1,000	6/30
Eagle Premier	\$1,000-2,000, based on sales; also \$1,000 for each car ordered from factory	9/30

Jeep Cherokee	\$700	6/30
Grand Wagoneer	\$3,500	6/30

Plymouth Acclaim	\$500	6/30
Caravan, Voyager	\$500	6/30

Ford Motor Co. (1990)

Ford Taurus SHO	\$3,000	4/10
Other cars	\$800-1,500	4/10

Ford Bronco	\$2,000	4/10
Other trucks	\$900-1,100	4/10

Mercury	\$800-1,500	4/10
All Lincoln	\$1,000-2,000, based on sales	4/10

Ford Motor Co. (1991)

Ford Taurus SHO	\$1,000	4/10
Crown Victoria	\$1,000	4/10

Other cars	\$100-700, based on sales	4/10
Ford trucks	\$100-700, based on sales	4/10

Mercury Topaz, Cougar, Sable	\$100-750, based on sales	4/10
All Lincoln	\$0-\$1,000, based on sales	4/10

Honda (1991)

Accord	\$500	4/30
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Hyundai (1991)

Scoupe, Sonata	\$100-300, based on sales	7/2
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Isuzu (1990-91)

	\$800-2,000, based on sales	6/30
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Mitsubishi (1990-91)

Cars, pickups	\$300-1,300, quota	4/30
Montero	\$1,500-2,000, based on sales	4/30

Nissan

Pathfinder (1990)	\$1,500	5/2
Stanza (1990-91)	\$0-\$1,500, quota	5/2

Pickups (1990-91)	\$400-1,200, quota	5/2
Sentra (1991)	\$0-\$700, quota	5/2

Pathfinder (1991)

	\$1,500, quota	5/2
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Peugeot (1990)

	\$2,000	None
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Subaru

XT (1990-91)	\$2,000	5/2
Legacy (1991)	\$500-1,700	5/2

Loyale (1990)	\$800-1,500	5/2
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* \$1,000 extra on 1990 Legacy.

Volkswagen (1990)

Cars	\$500-1,500	None
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INCENTIVE WATCH CUSTOMER INCENTIVES

Rebate Expiration Date

Chrysler Corp. (1990)

Chrysler	\$500-1,000	6/30
Dodge Monaco	\$1,500	9/30

Other cars	\$700-1,000	6/30
Dodge trucks	\$500-2,000	6/30

Eagle Premier	\$1,500	9/30
Other cars	\$700-1,000	6/30

Jeep Grand Wagoneer	\$1,500	12/31
Other Jeep	\$500-2,000	6/30

Plymouth All minivans	\$700-1,000	6/30
	\$1,500	6/30

Finance rates in lieu of rebate start at 4.9 percent.

Chrysler Corp. (1991)

Chrysler LeBaron coupe, conv.	\$1,000	9/30
Other cars	\$1,000-1,500	6/30

Dodge Daytona	\$700	9/30
Monaco	\$1,500	9/30

Other cars	\$400-1,000	6/30
Dodge trucks	\$300-1,500	6/30

Eagle Premier	\$1,500	9/30
Other Eagle	\$400-700	6/30

Jeep Grand Wagoneer	\$1,500	12/31
Other Jeep	\$500-1,000	6/30

Plymouth All minivans (without air bag)	\$400-1,000	6/30
	\$500	6/30

Finance rates in lieu of rebate start at 4.9 percent.

Ford Motor Co. (1990)

Ford Festiva	\$100	4/10
Ranger	\$1,500	4/10

Ford Motor Co. (1991)		
Ford Escort, Festiva	\$500	4/10

Ranger	\$1,000	4/10
Mercury Tracer	\$500	4/10

Grand Marquis	\$1,000	4/10
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Finance rate, in lieu of rebate, starts at 7.9 percent for 48 months or less.

General Motors (1990)

Buick Reatta	\$2,000	5/5
Other Buick	\$250-2,000	5/5

Cadillac	\$1,200	5/5
Chevrolet		

Geo Metro	\$300	5/5
Geo Storm	\$1,000	5/5

Geo Prism, Tracker	\$500	5/5
Cavalier	\$400	5/5

Camaro, Beretta	\$500	5/5
Lumina, Caprice	\$1,000	5/5

Trucks	\$500-1,000	5/5
GMC Sierra, cab chassis	\$750	5/2

*Based on option package selected

General Motors (1991)

Cadillac Brougham	\$1,500	7/7
Chevrolet		

Geo Metro	\$300	7/7
Geo Storm	\$1,000	7/7

Geo Prism, Tracker	\$500	7/7
Cavalier	\$400	7/7

Camaro, Beretta	\$500	7/7
Lumina, Caprice	\$1,000	7/7

Trucks and Am	\$500-1,000	7/7
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Hyundai (1990-91)		
Excel	\$500-1,000	7/2

Sonata	\$1,000	7/2
Scoupe ('91)	\$750	7/2

Subaru		
Justy ECVT (1990-91)	\$500	5/2

Loyale (1991)	\$500	5/2
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Toyota (1991)		
Corolla GT, 4Runner	\$800 discount on options	10/1

IMPORTED CAR SALES, MARCH & YTD

	Mar 1991	Mar 1990	3 Mos. 1991	3 Mos. 1990
Acura	12,703	11,831	31,465	31,937
Alfa Romeo	340	266	860	577
Aston Martin*	5	5	15	15
Audi	861	2,255	2,578	4,949
BMW	4,672	5,436	10,585	14,468
Chevrolet/Geo	6,523	14,358	17,140	40,872
Chrysler	312	442	471	1,807
Daihatsu	536	1,219	1,409	3,648
Dodge	2,977	1,755	8,121	5,182
Eagle	617	1,549	1,705	4,171
Ferrari*	80	80	240	240
Ford	3,678	5,489	8,814	16,386
Honda	19,631	19,736	46,118	53,530
Hyundai	12,005	11,979	28,325	34,411
Infiniti	2,389	1,549	6,156	3,695
Isuzu	746	402	1,870	836
Jaguar	1,038	1,746	2,117	4,744
Lamborghini*	13	13	39	39
Lexus	4,459	4,861	11,886	13,167
Lotus*	27	27	81	81
Maserati*	20	20	60	60
Mazda	14,986	15,501	34,178	42,483
Mercedes-Benz	5,234	6,891	12,593	17,356
Mercury	5,974	1,757	16,925	5,685
Mitsubishi	6,435	8,868	21,142	33,224
Nissan	19,278	32,610	49,903	84,816
Peugeot	347	481	1,009	1,129
Plymouth	1,125	1,739	3,029	5,244
Pontiac	3,055	2,246	7,368	6,384
Porsche	533	940	1,096	2,360
Rolls-Bentley*	100	100	300	300
Saab	3,752	2,277	6,593	6,332
Sterling	240	405	656	1,403
Subaru	6,851	11,012	16,359	24,166
Suzuki	404	475	1,124	1,605
Toyota	33,797	35,625	85,022	92,176
Volkswagen	8,191	13,032	22,134	29,155
Volvo	7,358	7,265	18,339	22,400
Yugo	146	571	761	1,994
TOTAL	191,438	226,813	478,586	613,021

FORD

FROM PAGE 3

Dealers Association, says Ford was emphatic about not putting its money into the test stores, "so it would be pretty bad if (dealers) put our money in."

Some dealers fear that program-car lots will further steal sales from new cars.

John Percelli, owner of Capital Lincoln-Mercury, says he is selling more program cars than new ones at his store in Chicago Heights, Ill.

Percelli said he sells a 1990 Town Car with 8,000 to 15,000 miles for about \$19,000, compared to \$30,000 for a new 1991 model. "It's not brand new, but it's a Lincoln," Percelli said of the ex-rental car. "And it comes with a warranty."

He said he sells 1991 Mercury Tracers with 4,000 to 8,000 miles

6 We used to teach salespeople to try to switch people from a used-car purchase to a new car. Now we try to sell from new to used.

John Percelli

Capital Lincoln-Mercury,
Chicago Heights, Ill.

for at least \$1,000 less than brand-new Tracers.

"We used to teach salespeople to try to switch people from a used-car purchase to a new car," Percelli said. "Now we try to sell from new to used."

In March, he sold half again as many program cars as new cars, he said. And his profit on the programs cars beats the profit on new cars by \$300 to \$400.

Percelli said, "Ford is shooting itself in the foot. Program cars are literally taking away the new-car buyer and hurting the new-car market."

The used-car lots will be tested for a year at three Ford and two Lincoln-Mercury dealers. If the separate operations succeed, Ford will roll out the program throughout the country.

Although dealers can already operate a used-car program lot on their own, they can do only in their own districts, a Ford official said. They would have to get permission from the factory to open one outside of their areas.

SATURN

FROM PAGE 3

with single-cam engines, designated SL and SL1, Saturn originally wanted to build more than 30,000, but now expects to finish the model year with just under 13,000, according to company estimates prepared last month.

The company stopped building base cars with manual transmissions for two to three months last fall because of a problem with the shifter mechanism, said John "Jay" Wetzel II, vice president of engineering.

Wetzel said the original supplier, which he would not name, had financial problems that kept it from meeting build rates. Saturn was forced to change suppliers.

Saturn also stopped building single-cam cars with automatic transmissions for a short time early on, Wetzel said, because the company wanted to change specifications on engine mounts to reduce

PRODUCTION

U.S. CAR		Week Ended Apr. 6, 1991	Week Ended Mar. 30, 1991	Mar. Total	Jan. 1 to Apr. 6, 1991	Jan. 1 to Apr. 7, 1990
Horizon	0	0	0	0	4,327	
Sundance	1,850	1,591	3,827	12,140	18,755	
Acclaim	0	0	5,643	21,549	19,857	
Total Plymouth	1,850	1,591	9,470	33,689	42,536	
LeBaron A	0	0	0	0	5,361	
LeBaron J	1,400	1,414	3,182	8,933	9,732	
N. Yorker C-Class	150	174	215	2,269	5,126	
Fifth Avenue	550	513	642	6,738	7,200	
Imperial	150	152	193	1,969	4,671	
Total Chrysler	2,250	2,253	4,232	19,909	32,090	
Omni	0	0	0	0	4,078	
Daytona	450	467	1,059	3,141	6,596	
Shadow	1,950	2,265	5,105	14,005	21,285	
Dynasty	3,050	3,113	3,890	33,450	29,987	
Spirit	0	0	5,029	19,481	21,545	
Total Dodge	5,450	5,845	15,083	70,077	82,491	
CHRYSLER CORP.	9,550	9,849	20,785	123,675	157,520	
Escort	4,599	4,269	20,209	48,461	44,283	
Mustang	0	0	3,525	11,458	38,906	
Tempe	2,200	2,223	8,526	27,039	34,524	
Taurus	6,434	6,188	26,448	75,526	106,849	
Thunderbird	1,151	632	6,953	16,664	29,029	
Total Ford Div.	14,384	13,312	66,661	179,148	253,591	
Topaz	1,320	1,297	4,704	12,174	13,866	
Cougar	1,129	666	5,400	12,308	19,259	
Sable	1,950	2,172	9,043	24,275	29,371	
Total Mercury	4,399	4,135	19,147	48,757	62,496	
Continental	930	882	4,651	15,366	15,200	
Mark VII	165	150	813	2,683	7,587	
Town Car	2,192	2,065	10,945	36,149	45,781	
Total Lincoln	3,287	3,097	16,408	54,190	68,568	
Total L-M Div.	7,686	7,232	35,566	182,955	131,064	
FORD MOTOR CO.	22,070	20,544	101,217	282,103	384,655	
Stylark/Somerset	1,743	1,769	8,729	30,839	22,897	
Century	1,556	1,684	6,533	18,690	16,957	
Riviera	233	232	908	2,497	6,155	
Electra/Park Ave.	0	1,185	6,733	26,337	12,365	
LeSabre (hwd)	0	0	494	33,069	42,562	
Roadmaster Wagon**	790	790	3,150	6,427	1,871	
Flairita	78	78	364	681	2,300	
Total Buick	4,400	5,738	26,911	118,699	105,107	
Eldorado	285	287	1,180	4,205	5,865	
Seville	722	723	2,571	8,464	7,540	
Brougham (hwd)	555	410	1,984	5,332	10,653	
DeVille (hwd)	2,550	1,702	7,718	35,091	42,097	
Allante	51	51	254	830	969	
Total Cadillac	4,163	3,173	13,707	54,680	67,124	
Cavalier	4,488	4,197	21,989	72,309	80,848	
Camaro	0	1,717	4,222	9,697	12,316	
Corsica/Beretta	4,696	4,739	18,015	55,325	75,334	
Caprice	2,528	2,091	11,012	33,277	61,915	
Corvette	388	385	1,884	6,208	6,160	
Total Chevrolet	12,100	13,129	57,122	178,616	236,573	
Calais	2,037	1,993	12,180	30,190	23,957	
Cutlass Ciera	1,724	1,734	5,032	14,481	23,160	
Cutlass Supreme	1,980	1,613	7,886	25,653	22,241	
Tornado	127	127	503	1,860	5,912	
88 (hwd)	0	666	3,627	18,968	22,799	
Custom Cruiser Wag***	205	205	811	3,326	1,113	
98	1,594	991	4,641	21,760	15,351	
Total Oldsmobile	7,667	7,329	34,680	116,238	114,533	
Sunbird	1,744	1,789	10,893	32,601	34,455	
Grand Am	3,780	3,875	19,267	54,819	47,745	
Firebird	0	394	1,033	2,410	7,328	
Grand Prix	1,240	2,549	9,316	24,665	27,649	
Pontiac 6000	572	595	2,229	8,134	15,835	
Bonneville	0	1,856	10,057	20,940	17,653	
Total Pontiac	7,336	11,058	52,795	143,569	150,665	
Total Saturn	1,385	1,385	5,534	14,762	0	
GENERAL MOTORS	37,051	41,812	190,749	624,764	674,082	
DIAMOND-STAR	3,136	2,496	12,568	42,035	38,670	
Civic	2,010	1,424	8,130	24,539	30,927	
Accord	7,460	5,084	28,164	93,892	89,062	
HONDA	9,470	5,508	36,294	118,431	119,989	
MAZDA*	2,193	2,473	11,742	39,580	51,818	
NISSAN	2,750	2,405	11,187	38,941	31,856	
Corolla	1,750	1,773	8,895	28,031	29,388	
Geo Prizm/Nova	1,600	1,596	8,080	27,188	24,348	
HUMMER	3,350	3,360	16,975	55,219	53,736	
SUBARU-ISUZU	1,182	944	4,411	15,264	7,905	
TOYOTA	4,480	4,442	18,641	60,136	60,308	
TOTAL BIG 3	68,671	72,045	320,751	1,030,542	1,216,177	
TOTAL TRANSPANT	26,461	22,637	111,818	369,616	363,982	
TOTAL CARS, U.S.	95,132	94,682	432,569	1,400,158	1,580,159	
TOTAL CARS, CANADA	23,301	21,661	93,709	264,498	271,668	
U.S., CANADA CARS	118,433	116,343	526,278	1,664,657	1,851,827	
U.S., CANADA	282,278	193,335	840,985	2,622,784	3,136,773	

Monthly estimates may contain error of one or two units due to rounding.

*Estimate **Total includes MX-6, G26, and Ford Probe

***1990 totals reflect Olds. 88 (hwd)

CANADIAN CAR

CANADIAN CAR		Week Ended Apr. 6, 1991	Week Ended Mar. 30, 1991	Mar. Total	Jan. 1 to Apr. 6, 1991	Jan. 1 to Apr. 7, 1990
Monaco	0	361	361	690	3,593	
Premier	0	659	659	1,613	1,252	
CHRYSLER CORP.	0	1,020	1,020	2,303	4,845	
Tempo	3,032	2,791	9,969	30,358	37,622	
Topaz	742	700	2,487	7,863	12,599	
Crown Victoria	1,549	1,215	7,484	24,846	32,385	
Grand Marquis	2,928	2,496	10,268	14,193	30,419	
FORD MOTOR CO.	8,251	7,202	30,206	77,260	113,215	
Celebrity	0	0	0	0	5,292	
Cutlass Ciera	1,424	1,412	6,764	16,066	22,305	
Lumina	3,700	3,805	18,328	45,941	60,073	
Regal	2,700	2,742	9,706	28,596	13,579	
GENERAL MOTORS	7,824	7,959	34,798	90,583	101,249	
CAMI	2,700	2,169	10,465	34,540	0	
HONDA	2,200	1,522	8,469	28,567	29,719	
HYUNDAI	756	567	2,604	10,623	4,422	
TOYOTA	1,390	1,088	5,444	18,165	15,735	
VOLVO	180	144	701	2,338	2,483	
TOTAL CARS, CANADA	23,301	21,661	93,709	264,498	271,668	

U.S. TRUCK

Caravan.....	1,550	1,496	7,799	26,393	31,727
Dakota.....	1,600	1,637	7,713	16,194	18,985
Caravan C/V.....	100	65	338	1,060	2,077
Ram pickups.....	1,600	1,741	7,707	16,200	27,607
Total Dodge.....	4,850	4,939	23,567	59,847	80,336
Cherokee.....	3,200	3,297	8,129	25,161	43,740
Comanche.....	200	149	405	1,616	1,979
Grand Wagoneer.....	0	0	0	0	1,026
Wagoneer/Brianwood.....	50	84	226	761	941
Total Jeep.....	3,450	3,530	8,760	27,540	47,686
Voyager.....	1,150	1,356	6,237	20,558	30,390
Town & Country.....	50	37	228	788	1,033
Total C-P Div.....	1,200	1,393	6,465	21,346	31,423
CHRYSLER CORP.....	9,500	9,862	38,782	108,733	159,505
Aerostar.....	3,124	3,006	10,592	31,253	49,896
Bronco.....	549	471	471	2,955	14,881
Bronco II/Explorer.....	5,556	4,469	22,531	70,860	25,934
Navajo.....	106	140	734	4,050	0
Econoline.....	3,299	3,210	13,604	30,099	49,490
Mediums/Heavies.....	788	797	2,604	9,202	13,714
Light trucks.....	7,385	7,177	24,624	64,039	122,196
Ranger.....	5,408	4,907	18,744	58,872	82,169
Total Ford Div.....	26,215	24,177	93,984	272,330	358,270
FORD MOTOR CO.....	26,215	24,177	93,984	272,330	358,270
Astro.....	1,908	2,091	7,560	22,021	29,271
Blazer.....	162	141	615	2,103	4,362
Lumina APV.....	976	825	2,197	7,800	26,989
Mediums/Heavies.....	167	84	0	167	2,090
P-Model.....	366	302	1,678	4,375	6,179
Pickups.....	4,841	3,356	16,322	59,108	98,581
S-10.....	4,918	3,181	15,605	58,471	63,218
S-10 Blazer.....	1,302	1,210	1,226	5,613	27,542
Sportsvan/Van.....	865	856	4,030	9,674	15,366
Suburban.....	565	311	1,486	5,765	17,632
Total Chevrolet.....	16,070	12,357	50,719	175,097	291,226
Jimmy.....	62	70	217	731	1,494
Mediums/Heavies.....	305	324	0	305	2,511
P-Model.....	32	107	335	799	799
Pickups.....	2,097	3,509	11,088	30,268	33,093
S-15/Sonoma.....	1,014	1,346	3,939	14,427	15,765
S-15 Jimmy.....	420	213	501	2,112	8,372
Safari.....	780	519	2,362	8,811	8,914
Suburban.....	331	528	1,822	5,604	7,640
Vandura/Rally Vans.....	427	263	1,410	4,061	5,569
Total GMC.....	5,468	6,879	21,674	67,118	85,207
Silhouette.....	556	615	1,637	3,930	8,221
Bravada.....	384	498	1,895	6,232	0
Total Oldsmobile.....	940	1,113	3,532	10,162	8,221
Pontiac Trans Sport.....	652	459	1,303	4,529	15,363
GENERAL MOTORS.....	23,130	20,800	77,228	256,905	400,637
NAVISTAR.....	1,845	1,320	6,565	20,645	21,236
NISSAN.....	2,660	2,317	10,711	37,309	41,808
SUBARU-ISUZU.....	845	709	3,464	14,073	7,781
AM GENERAL.....	400	320	1,600	5,550	6,390
MISCELLANEOUS.....	2,650	2,120	10,600	37,450	42,460

NOTE

ONLY THE FOLLOWING PAGES OF THIS
PUBLICATION HAVE BEEN FILMED

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